

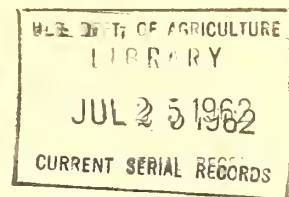
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CROPS AND MARKETS



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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

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Growth Through Agricultural Progress

PORTUGAL'S TOBACCO IMPORTS DOWN

Portugal's imports of unmanufactured tobacco during the first quarter of 1962, at 2.2 million pounds, were 7.5 percent smaller than the 2.4 million pounds imported during January-March 1961. Reduced imports from the United States, Greece, and Italy more than offset stepped up takings from Mozambique and Angola.

Takings of U.S. leaf, at 1 million pounds, were about 18 percent below the January-March 1961 level of 1.2 million pounds. The U.S. share of the Portuguese market dropped to 44.6 percent, compared with 50.4 percent during the first quarter last year.

TOBACCO, UNMANUFACTURED: Portugal, imports by country of origin, January-March 1960-62

Country of origin	January-March		
	1960	1961	1962
	1,000	1,000	1,000
	pounds	pounds	pounds
United States.....	1,378	1,215	994
Mozambique.....	163	174	343
Angola.....	121	220	234
Greece.....	309	320	224
Italy.....	139	205	107
Rhodesias-Nyasaland.....	29	99	82
Other.....	286	179	247
Total.....	2,425	2,412	2,231

Boletin Mensal, March 1962.

BELGIAN CIGARETTE OUTPUT UP 2 PERCENT

Cigarette output in Belgium during 1961, at 11.5 billion pieces, was 2 percent greater than the 11.2 billion produced in 1960. Production of cigars and cigarillos was 19.5 percent and 8.7 percent larger than the 1960 levels of 178 and 738 million pieces, respectively. Production of smoking mixtures totaled 18.4 million pounds, compared with 18.6 million in 1960.

Sales of all tobacco products, except smoking mixtures, were larger than in 1960. Cigarette sales were 2.6 percent greater than the 11 billion pieces sold in 1960. Cigar sales were up 11 percent but sales of cigarillos rose only 1.7 percent from the 1960 levels of 232 million and 650 million pieces, respectively.

MOZAMBIQUE'S CIGARETTE OUTPUT CONTINUES TO RISE

Cigarette output in Mozambique continued its upward trend through 1961.

Production last year, at 3.1 million pounds, was almost 10 percent greater than the 2.8 million pounds produced in 1960. Production of pipe tobacco continued to decline, however, and amounted to only 4,400 pounds, compared with 6,600 pounds for the previous year.

GERMAN LEAF TOBACCO USINGS UP 7.5 PERCENT

Using of leaf tobacco by West German manufacturers during 1961, at 264.7 million pounds, were 7.5 percent greater than the 1960 level of 246.3 million pounds.

TOBACCO, UNMANUFACTURED: West Germany, usings by manufacturers during 1961, compared with 1960

Country of origin	1960		1961	
	Quantity	Percent	Quantity	Percent
	: of total	: of total	: of total	: of total
	1,000	Percent	1,000	Percent
	pounds		pounds	
U.S. leaf.....	68,967	28.0	74,635	28.2
Oriental leaf.....	68,354	27.7	70,871	26.8
Exotic leaf <u>1</u> /.....	19,821	8.0	18,959	7.2
Indonesian leaf.....	9,306	3.8	9,663	3.6
Other foreign leaf.....	43,481	17.7	55,282	20.9
Blended filler.....	---	---	2,934	1.1
Homogenized leaf.....	---	---	2,411	.9
Domestic leaf.....	36,382	14.8	29,949	11.3
Total.....	246,311	100.0	264,704	100.0

1/ Tobacco originating in the Central and South American countries, mostly Brazil, Dominican Republic, Colombia, Cuba, and Mexico.

Die Tabak-Zeitung, Mainz, May 4, 1962

Larger usings in cigarettes and cigars were more than enough to offset the decline in the combined output of smoking, chewing, and snuff tobaccos. Leaf used in the production of cigarettes at 185.4 million pounds, was 11.2 percent higher than the 1960 level of 166.7 million pounds. Usings in cigars were 1.1 percent above the 1960 level of 59.7 million pounds. Leaf used in the production of cigarettes last year accounted for 70.1 percent of total usings, followed by cigars at 22.8 percent, smoking tobaccos at 7 percent, with chewing tobacco and snuff accounting for the remaining .1 percent.

Usings of U.S. leaf last year totaled 74.6 million pounds, compared with 69 million in 1960. Flue-cured represented about 82 percent, burley 14 percent, with the other kinds accounting for the remainder. About 87 percent of the U.S. leaf is used in cigarette manufacture.

Total usings of oriental leaf were 2.5 million pounds larger than the 1960 level of 68.4 million, but represented a smaller proportionate share of the total than for the previous year. Use of Latin American tobaccos was about 4 percent smaller than in 1960, while usings of other foreign leaf, principally Rhodesian, Italian, and Japanese were 27 percent larger than for the previous year. Usings of Rhodesian, Italian, and Japanese leaf last year represented 6.9, 7.2, and 2.7 percent, respectively, of total leaf used. Leaf used in the production of cigarettes from these three sources last year totaled 40.2 million pounds, or about 22 percent of the total.

Last year, for the first time, the use of blended filler and homogenized leaf was reported by the German industry. The combined use of blended filler and homogenized leaf totaled 5.3 million pounds and represented about 9 percent of the total leaf used in the production of cigars.

SOUTH AFRICA'S TOBACCO IMPORTS SMALLEST ON RECORD

The Republic of South Africa's imports of unmanufactured tobacco during 1961, at 1.4 million pounds, were less than one-third the 1960 level of 5.1 million and were the smallest of record.

Takings from the Rhodesias-Nyasaland, the principal supplier, totaled only 1.2 million pounds, compared with 5.1 million in 1960. Imports of U.S. leaf, though insignificant during the previous 3 years, amounted to 160,000 pounds in 1961. Takings of U.S. leaf during the mid-1950's (1953-57) averaged 790,000 pounds.

SWITZERLAND'S CHEESE EXPORTS DOWN

Switzerland's January-March exports of cheese at 14 million pounds showed a decrease of 12 percent from the same period of 1961.

This decline was accounted for by reduced shipments to most major purchasers. Quantities sent to these markets, with comparable 1961 shipment in parentheses were: Italy, 4 million pounds (5 million); United States, 2 million (3 million); West Germany, 1 million (2 million); Belgium, 959,000 (1.3 million). France's purchases of 3 million pounds were practically unchanged from 1961. Canada and the United Kingdom took approximately 500,000 pounds each in both years.

Imports of cheese were up 31 percent to 6 million pounds, more than half of which was supplied by Italy.

WEST GERMANY EXTENDS IMPORT TENDERS

Western Germany has extended import tenders on fatback, pork livers, pork kidneys, beef livers, and lard.

Import tenders for fatback, pork livers, pork kidneys, and beef livers, apply only to the United States and Canada. Applications must be filed before October 25, 1962, and the last date of imports is December 31, 1962.

Lard import tenders have been extended to several countries, including the United States and Canada. The last day for application is October 25, 1962, and imports must arrive by October 31, 1962.

U.S. EXPORTS OF MOST LIVESTOCK PRODUCTS LOWER IN JANUARY-MAY

U.S. exports of edible tallow and greases, lamb and mutton, other canned meats, and hog casings were higher in January-May than in the first 5 months of 1961. Shipments of other livestock products were below 1961.

Exports of lard were 179 million pounds, 1 percent below the same months of 1961. The United Kingdom continues to be the major market, taking about 80 percent of the total.

Inedible tallow and grease shipments declined 1 percent from the record rate of January-May 1961. Shipments under Public Law 480 about offset the large exports that went to the U.S.S.R. in 1961. Exports of edible tallow and greases were 3 percent higher than in the first 5 months of the previous year.

Exports of red meats in January-May were 18 percent less than in the same period of 1961. Shipments of beef and veal declined 21 percent. Pork exports were 18 percent lower because of higher production and lower prices in Canada.

Lamb and mutton shipments were 76 percent above the same period of 1961. Exports of uncanned sausage dropped 48 percent, and shipments of canned sausage were 47 percent lower. Canned meat baby foods were 43 percent below January-May 1961. However, shipments of other canned meats were 25 percent above the previous year.

Variety meat exports declined 2 percent from the record level of January-May 1961, but were the second highest on record. Decreased shipments to Western Europe accounted for most of the decline.

Shipments of hog casings were 41 percent larger in January-May than a year earlier. Most of the increase went to Oceania. Exports of other natural casings dropped 24 percent.

LIVESTOCK PRODUCTS: U.S. exports of selected items, May 1961 and 1962,
and January-May 1961 and 1962, with percentage change

(Product weight basis)

Commodity	May			January-May		
	1961	1962	Percent change	1961	1962	Percent change
	1,000	1,000		1,000	1,000	
	<u>pounds</u>	<u>pounds</u>	<u>Percent</u>	<u>pounds</u>	<u>pounds</u>	<u>Percent</u>
Lard.....	41,002	24,752	-40	181,425	179,028	-1
Inedible tallow and and greases 1/....	152,529	170,080	+12	701,271	693,416	-1
Edible tallow and greases 2/.....	1,177	859	-27	4,890	5,029	+3
Meat:						
Beef and veal.....	2,591	2,350	-9	13,302	10,565	-21
Pork.....	3,930	5,246	+33	27,371	22,420	-18
Lamb and mutton...	225	155	-31	723	1,275	+76
Sausage:						
Except canned...	438	119	-73	1,125	588	-48
Canned.....	49	49	—	576	305	-47
Baby food, canned.	115	14	-88	605	347	-43
Other canned meats	46	99	+115	421	526	+25
Total red meat..	7,394	8,032	+9	44,123	36,026	-18
Variety meat.....	9,995	12,476	+25	48,724	47,651	-2
Sausage casings:						
Hog.....	886	1,370	+55	4,157	5,876	+41
Other natural...	499	359	-28	2,068	1,573	-24
Mohair.....	1,027	1,518	+48	7,804	6,086	-22
	1,000	1,000		1,000	1,000	
Hides and skins:	<u>pieces</u>	<u>pieces</u>		<u>pieces</u>	<u>pieces</u>	
Cattle.....	568	572	+1	3,274	2,684	-18
Calf.....	149	163	+9	1,110	806	-27
Kip.....	22	21	-4	219	121	-45
Sheep and lamb....	255	254	-1	1,063	834	-22

1/ Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible animal greases, fats, and oils.

2/ Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, excluding lard.

U.S. Department of Commerce.

(Continued)

Mohair exports in May were the highest in recent months and were 48 percent larger than in May 1961. However, shipments for the first 5 months of 1962 were 22 percent lower than in the same months of 1961.

Exports of hides and skins in the first 5 months of 1962 were lower for all types. Cattle hide shipments were down 18 percent; calfskins 27 percent; kipskins 45 percent; and sheepskins and lamb skins 22 percent.

LITTLE MARKET FOR U.S. MEAT PRODUCTS IN NEW ZEALAND

New Zealand prohibits imports of most meats and other packinghouse products. Since it is a large exporter of these commodities, imports probably would be small--even if they were permitted.

Hog casings are imported from the United States. They are listed as an "A" item in the import licensing schedule. Licenses are freely issued to regular importers in an amount up to 75 percent of the entries from all sources during the 1960 licensing year. Additional licenses may be granted to meet actual requirements on evidence that the imported supplies have been fully used. The tariff is 3 pence per pound and there is a surtax of seven-fortieths of the duty. There is no British preference. U.S. exports to New Zealand in 1961 totaled 534,000 pounds, compared with 399,000 a year earlier, and 661,000 pounds in 1959.

Individual licenses are required to import tallow, hides and skins. A few cattle hides are brought in from Samoa but there are no other imports of these items.

AUSTRALIAN MEAT SHIPMENTS TO THE UNITED STATES

The Belgium Reefer left Australia June 16, 1962, with 6,876,800 pounds of beef for the United States--721,120 pounds for Charleston; 2,141,440 pounds for Philadelphia; 4,045,440 pounds for New York; and 268,800 pounds for Boston.

The ship is due to arrive in Charleston July 4, Philadelphia July 10, New York July 14, and Boston July 17.

IRELAND SMALL MARKET FOR LIVESTOCK PRODUCTS

Irish imports of meats and livestock products are limited to specialized types of canned meats, lard, tallow, and sausage casings.

Ireland generally restricts imports of all livestock and meat products by requiring import licenses. The issuance of licenses allows the Department of Agriculture to lessen the danger of introduction of diseases and pests, and allows it to set economic barriers.

Small quantities of highly specialized types of canned meats are imported. The principal outlets are delicatessen shops which cater to high income groups. These products are only allowed entry when preparation and packing assure the killing of pathogenic organisms.

Lard imports from the United States are subject to an import tax of \$11.76 per 100 pounds, compared with \$7.84 per 100 pounds for lard from Commonwealth countries. Even so, the United States has been a fairly substantial supplier of lard--although most of the U.S. lard entering Ireland is purchased through Rotterdam. If arrangements could be made for direct shipment to Ireland, the cost to the Irish purchaser might drop and this might result in increased demand for U.S. lard.

The United States is the major supplier of tallow. Irish tallow imports are expected to be somewhat larger during 1962 because slaughter will be considerably less than in 1961. Ireland is exporting an increased number of feeder cattle to the United Kingdom, thus reducing the number available for slaughter.

Ireland imports small quantities of casings when domestic supplies are short. Casing imports are controlled by licenses and are under strict veterinary controls. Import tariffs are high, but no preference is given to Commonwealth countries.

CANADA IMPOSES SURCHARGES ON LIVESTOCK AND MEAT IMPORTS

On June 25, 1962, the Canadian Government put into force a 5 percent surcharge on imports of livestock, meat, and meat products.

The new tax is part of the Canadian Government's austerity program. These surcharges, rather than other import restrictions, have been initiated to help maintain or strengthen domestic markets and discourage imports.

The list of commodities designated for the 5 percent surcharge includes live cattle, sheep, and hogs (except purebred); fresh beef and veal; variety meats of beef and veal; fresh pork, other fresh meats; canned beef, canned pork, canned hams, other canned meats; extracts of meat and fluid beef; prepared or preserved meats; lard and sausage casings. The surcharge will not apply to wool which the United States supplies in small quantity.

PAKISTAN SMALL MARKET FOR U.S. MEATS

Pakistan offers only limited possibilities as an export market for U.S. livestock and meat products, even though there are no tariff barriers or other restrictions against U.S. products.

(Continued)

Being a Moslem country, there is no market for pork products, or for any mixture of permissible meat products with pork. Moslems insist on "Kosher cut;" and because there is no control on imported products to insure this requirement, Pakistanians avoid importing most meat products.

The most important livestock product imported is inedible tallow and the United States (under Title I, Public Law 480) is the major supplier. Additional requirements are brought in from Australia and New Zealand as foreign exchange availability permits.

If the market in Pakistan for U.S. meat products is to be developed, it will be necessary to meet the killing requirements specified by Moslem law. These requirements have been met in the case of U.S. poultry, and it appears that the market for U.S. frozen poultry will be opened for the first time.

AUSTRALIAN-U.K. FREIGHT RATES GO UP

Freight rates between Australia and the United Kingdom have been increased 5 percent.

The new rates will apply to the 1962-63 and 1963-64 shipping seasons. Items covered under the new agreement are wool, meats, dairy products, fresh fruits, and general cargo.

This rise in freight rates to Europe will increase Australia's interest in expanding her markets in other areas, such as the United States, where there is no comparable rise in rates to these other areas.

CANADA INAUGURATES AUSTERITY PROGRAM

On June 24, Prime Minister John Diefenbaker ordered an emergency austerity program aimed at countering a threat to the stability of the Canadian dollar.

Apparently, this action is due to a reduction in the net inflow of foreign capital, which in years past has been about equal to the deficit in Canada's current international account. (In 1961, Canada had a net surplus in commodity trade for the first time in 9 years.)

Measures to be adopted by Canada are (1) The implementation of a graduated surcharge on certain classes of imports at 5, 10, and 15 percent. Approximately one-half of all imports will be exempted from any surcharge and consist mainly of basic foodstuffs, raw materials, industrial components, and agricultural machinery. (2) A limitation on the amount of tax-free goods that traveling Canadians can bring into Canada. This has been reduced for C\$300 per 12-month period to C\$25 three times a year or in the case of overseas visitors, C\$100 per year. (3) Adoption of a program designed to reduce government expenditures by C\$250 million per year.

Current gold and U.S. dollar reserves in Canada total C\$1,100 million. To reinforce these reserves, Canada is borrowing C\$300 million in foreign exchange from the IMF, has arranged a line of credit amounting to C\$400 million from the Ex-Im Bank, has entered into a reciprocal currency arrangement with the U.S. Federal Reserve in the amount of C\$250 million, and made a comparable arrangement with the U.K. in the amount of C\$100 million. This international financial support adds over C\$1 billion in cash and stand-by credits to Canada's exchange reserves. All of the action taken by Canada is designed to maintain the foreign exchange value of the Canadian dollar at U.S. 92-1/2 cents and also to maintain an investment climate in Canada attractive to foreign capital.

UGANDA LOWERS MINIMUM COFFEE PRICE

Effective June 18, 1962, (the beginning of the new buying season) the Uganda Government set the minimum guaranteed price to the grower for Robusta unhulled coffee at 48 East African cents per pound (6.7 U.S. cents). The minimum price had been 60 cents (8.4 cents).

The government explained the move by citing (1) the heavy withdrawals from the Coffee Price Assistance Fund which endangered its continued existence; (2) smuggling into Uganda of Tanganyika and Congo coffee to take advantage of Uganda's highly subsidized prices; (3) the need to maintain the fund at a sufficiently high level to provide the essential finance for the purchase of the crop; (4) the possible need to use the fund for retention of coffee stocks under Uganda's new international obligations; (5) the need to discourage more production because of the world coffee surplus and Uganda's undertaking not to expand production.

SOUTH AFRICA PRODUCES PHORMIUM

The South African Department of Commerce and Industry has entered into contracts with farmers for the production of 25,000 long tons of phormium ("New Zealand hemp" or "New Zealand flax").

This production is expected to be reached in 8 years, and will then supply about half of the country's total needs of fiber for grain bags. Current production of all natural fibers is now only 750 tons a year and the balance of the fiber supply must be imported.

The new fiber contracts with the government cover about 15,000 tons a year to be produced by 130 European farmers and 10,000 tons by growers in the African areas under the Department of Bantu Administration and Development.

FIVE COUNTRIES RATIFY COCOA ALLIANCE

The Cocoa Producers Alliance, which was formed in Abidjan, Ivory Coast in January 1962, announced on June 15 that the member countries (Ghana, Nigeria, Brazil, Ivory Coast, and Cameroun) have ratified the establishment of the alliance. Alliance members account for about three-fourths of world cocoa production.

The announcement by the Alliance stressed the members desire to exchange information, discuss mutual problems, insure deliveries of cocoa needed by consumers at reasonable prices, and to promote increased consumption of cocoa. The Alliance members will meet in Lagos, Nigeria, which is the seat of the alliance, in mid-July.

MALAGASY REPUBLIC SETS NEW PRICES FOR 1962 VANILLA CROP

The minimum prices to growers for green vanilla beans has been set at 475 CFA francs per kilogram (87 cents per pound), a substantial increase of 200 CFA francs (81 cents) over the minimum price paid for the 1961 crop. The minimum purchase price of prepared vanilla in bulk is to be 2,525 CFA francs per kilogram (\$4.64 per pound).

TURKEY RAISES GRAIN SUPPORT PRICES

The Turkish Government has fixed the producer support prices for 1962 crop domestic grains from 2 percent to 17 percent above the 1961 levels. This refers to wheat, rye and barley. The corresponding price for oats had not yet been reported.

GRAINS: Turkey, Producer support prices, 1961-62 and 1962-63

Grain	: 1961-62	: 1962-63	: 1961-62	: 1962-63
	: Kurus	: Kurus	: Dollars	: Dollars
	: <u>per kg</u>	: <u>per kg</u>	: <u>per bu.</u>	: <u>per bu.</u>
Hard wheat.....	: 73	: 78	: 2.21	: 2.36
White wheat.....	: 64	: 75	: 1.93	: 2.27
Wheat "for bread".....	: 63	: 73	: 1.90	: 2.21
Rye.....	: 50	: 54	: 1.41	: 1.52
Brewing barley.....	: 44	: 45	: 1.06	: 1.09
"White" barley.....	: 41	: 43	: .99	: 1.04

Turkish farmers may sell their grains to Toprak, a government agency, at these prices, or to private buyers at the regular market prices. The reason for the above increases in the support prices had not yet been reported.

MOROCCO FIXES 1962
GRAIN SUPPORT PRICES

The Government of Morocco has fixed 34.5 dirhams per quintal (\$1.86 per bushel) as the producer support price for 1962 crop domestic soft wheat. In effect, this is the same price that was fixed for the 1961 soft wheat crop, which was 33 dirhams, plus a drought bonus of 1.50 dirhams per quintal.

The corresponding price for hard wheat was similarly left at the 1961 level, 40 dirhams per quintal (\$2.15 per bushel). The government fixed the 1961 hard wheat producer support price at 39 dirhams, but added a drought bonus of 1 dirham per quintal.

The government, however, increased the producer support price for barley from 22 dirhams to 23 dirhams per quintal (95 cents to 99 cents per bushel). Hard and soft wheat and barley are the only grains which are included in Morocco's price support program.

Moroccan farmers may sell these grains only to licensed traders supervised by the government Office Cherifian Interprofessionel des Cereals (OCIC). The traders are required to pay the above soft wheat price for all quantities of this grain which the farmers offer to sell to them.

They may purchase barley and hard wheat from the farmers at any prices the latter are willing to accept. However, the OCIC will buy at the respective support prices all quantities of these grains which the farmers offer.

RHODESIA SELLS CORN
TO COMMUNIST CHINA

The Chairman of the Grain Marketing Board reported to the Rhodesia National Farmers' Union Congress on June 19, 1962, that the Federation had completed the sale of a sizable quantity of corn to Communist China.

It was stated that 65,000 short tons of white corn had been sold for July-August deliver, and an order for a further 25,000 tons is expected. The GMB chairman explained that the existing overseas market for Rhodesian corn was capable of taking only a limited quantity, and China offers a new opportunity for further export expansion.

ARGENTINA HAS GOOD
RICE CROP

Argentina's 1961-62 rice crop is estimated at 190,000 metric tons of rough rice in the second official estimate. This is 27.5 percent higher than the poor 1960-61 crop of 149,000 tons, and approximates 1959-60 production.

(Continued)

Corrientes is the main province of production, with 76,100 tons (40 percent of the total), followed by Entre Rios with 72,200 tons (38 percent), and Santa Fe with 15,500 (8 percent). Production in other provinces, at 26,200 tons, is 14 percent of the total crop.

EGYPT PLANTS LARGE RICE ACREAGE

Egypt's rice acreage in 1962 is expected to set a record.

Acreage is forecast at about 830,000 acres compared with the previous record of 816,000 in 1948. The 1961 acreage was reduced by drought to 557,000 acres, and the average in the 5 years ended 1960 was 679,000 acres.

Water is sufficient for the production of a good crop. A good average yield per acre harvested would result in an estimated 1962 crop of at least 550,000 metric tons of rough rice (380,000 milled) more than in 1961. The crop is planted principally in May and June and harvested from September to November.

FRANCE AGAIN INCREASES RICE ACREAGE

French rice acreage increased 6 percent in 1962.

Acreage (planted mainly in May and June) is estimated at 88,000 acres compared with the previous record of 83,000 last year. France has increased rice acreage every year since 1953, when 47,000 acres were in rice. The average in the 5 years ended 1960 was 66,000 acres.

MALI PEANUT PRODUCTION AND EXPORTS DOWN

Mali's total peanut production in the recently completed 1961-62 season is estimated by the Bamako Chamber of Commerce at 95,000 metric tons, unshelled basis, compared with an estimated 108,000 tons in 1960-61. Of this total 66,271 tons entered commercial channels against 83,386 tons a year earlier.

Exports from the current crop are expected to total 43,700 tons, shelled, compared with exports of 48,709 tons in 1960-61. The decline in production and exports from a year earlier is attributed to uneven distribution of rain.

With the exception of 6,000 tons of shelled peanuts consigned to France, the entire export crop has been taken by the Soviet Bloc.

INDONESIA'S EXPORTS OF COPRA, PALM
OIL AND PALM KERNELS GAIN IN MARCH

Indonesia's exports of copra in March were moderately higher than in February while exports of palm oil and palm kernels were more than double their February levels.

Copra exports in March were 6,638 long tons as compared to 5,852 tons in February. In March 1961, however, Indonesia exported 18,357 tons. The total of Indonesia's copra exports during January through March 1962 was 14,793 tons, about half the 30,038 tons exported in January-March 1961.

Palm oil shipments increased to 16,366 short tons in March from 6,024 tons in February. Exports in March 1961 were 10,611 tons. The total of exports during January-March 1962 was 29,883 tons as compared to 26,607 tons exported during January-March 1961.

Indonesia's exports of palm kernels in March were 3,898 short tons; up from 1,626 tons in February and 3,041 tons in March 1961. Exports during the January-March period totaled 7,401 tons whereas 7,178 tons were shipped during the corresponding months of 1961.

MEXICAN GOVERNMENT TO PERMIT
SOYBEAN MEAL IMPORTS

The Mexican Ministry of Industry and Commerce on June 12, 1962, granted import permits for soybean meal to the mixed feed manufacturers.

The tonnages permitted are dependent on individual needs and will be effective through October 31, 1962, after which domestic production is expected to become available. The permission was granted in response to a request for the importation of 5,288 metric tons (5,829 short tons) of meal by the National Association of Animal Feed Manufacturers on June 5, 1962. About one-fifth of this tonnage already has been approved for import.

MEXICO INCREASES COTTONSEED
CAKE AND MEAL EXPORT QUOTA

The Government of Mexico, as recently announced by the Ministry of Industry and Commerce, will issue export permits for 100,000 metric tons (110,230 short tons) of cottonseed meal and/or cake.

The permits, initiated in July 1962, will continue through June 1963. Last year the Ministry announced an export limit of 65,000 metric tons (71,650 short tons) which later was significantly increased. During the period July 1961 through April 1962, 97,942 metric tons (107,960 short tons) were exported.

SENEGALESE-NIGERIAN PEANUT MARKETING PLANS MAKE PROGRESS

Further progress on the proposed peanut marketing agreement between Senegal and Nigeria has been announced by the Dakar press. The report followed the June 16 meeting in Lagos, Nigeria, of the Director of Senegal's Agricultural Marketing Office.

The African Groundnut (Peanut) Council, creation of which was agreed upon in May (Foreign Crops and Markets, July 2, 1962), would be composed of Senegal and Nigeria and possibly other peanut producing countries, such as Niger, Gambia, Comoroun, Mali, and Sierra Leone. The council would be composed of five members and would meet yearly in order to fix the quantities of peanuts to market, to "regularize" sales, and to "form a common front for African producers in the face of world markets".

MOZAMBIQUE'S OILSEED PRODUCTION AND EXPORTS UP; LATTER SHARPLY

Oilseed production in Mozambique during 1961, estimated at 201,300 short tons, was up 2 percent from the previous year while oilseed exports increased by more than two-fifths.

Among the major crops, increased production of copra in 1961 was offset by a drop in the production of cottonseed but exports of both commodities made significant gains. Commercial peanut production, which had declined in recent years because of low prices, made gains in 1961. These gains may have resulted from legislation enacted in November 1960 which requires the Vegetable Oil Board to acquire surplus peanuts at fixed prices.

Oilseed utilization is estimated as follows: domestic crushing 45 percent; exports 30 to 40 percent; and the remainder accounted for by seed and feed uses and losses.

Vegetable oil exports, which in 1960 were only about two-fifths of total production, amounted to nearly 65 percent in 1961.

Virtually all of the exports of oilseeds and vegetable oil from Mozambique are handled by the Vegetable Oil Industries Board. Major markets in 1960 for Mozambique's oilseed and vegetable oil exports, in the order of their importance include: the Republic of South Africa, Portugal, and the Federation of Rhodesia and Nyasaland. Data on destination of 1961 exports are not yet available.

Imports consisted of only about 1,000 tons of olive oil in 1959 and 1960. Data on 1961 imports are as yet unavailable, but no significant change was expected.

OILSEEDS, VEGETABLE OILS, OILSEED CAKES AND MEALS: Mozambique,
production and exports, 1959-61

Item	Production ^{1/}			Exports		
	1959	1960	1961	1959	1960	1961
	1,000 short tons					
Oilseeds:						
Peanuts (shelled).....	42.9	22.1	27.5	1.2	0.7	0.4
Copra.....	49.6	55.1	77.2	41.4	44.9	66.2
Cottonseed.....	98.5	107.2	85.0	7.0	5.4	6.3
Sesame.....	1.7	2.2	2.8	0.9	0.9	2.3
Sunflower seed.....	2.2	2.2	2.2	(((
Mafurra seed.....	5.1	4.2	4.4	(1.6	(0.8	(2.5
Tung nuts.....	1.1	1.1	1.1	(((
Castor beans.....	2.8	2.5	1.1	2.5	2.5	1.0
Total.....	203.9	196.6	201.3	54.6	55.2	78.7
Vegetable oils:						
Edible:						
Peanut oil.....	3.6	2.4	1.4	4.3	1.1	0.4
Cottonseed oil.....	4.2	7.3	n.a.	---	2.4	5.0
Sesame oil.....	0.4	0.5	n.a.	0.3	0.3	0.1
Total.....	8.2	10.2	11.0	4.6	3.8	5.5
Industrial:						
Coconut oil.....	4.7	3.0	n.a.	3.2	2.0	3.5
Mafurra oil.....	2.2	1.6	n.a.	^{2/} 1.4	^{2/} 1.2	^{2/} 0.6
Castor oil.....	---	0.1	n.a.	---	---	---
Cashew oil.....	0.5	1.1	1.3	n.a.	n.a.	1.0
Total.....	7.4	5.8	6.1	n.a.	n.a.	5.1
Oilseed cakes:						
Peanut cake.....	n.a.	3.2	n.a.	3.7	n.a.	0.8
Cottonseed cake.....	n.a.	29.1	n.a.	14.1	36.9	25.4
Copra cake.....	n.a.	1.6	n.a.	2.4	n.a.	2.7
Sesame cake.....	n.a.	0.6	n.a.	0.1	n.a.	1.3
Mafurra cake.....	n.a.	2.2	n.a.	4.9	n.a.	2.4
Castor bean cake.....	n.a.	0.1	n.a.	---	---	---
Other cake, n.s.....	---	---	---	0.3	0.9	0.3
Total.....	30.9	36.8	37.9	25.5	n.a.	32.9

^{1/} Commercial production only.

^{2/} Includes an unspecified amount of tung oil and sunflower oil.

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C O R R E C T I O N

In the article, "Netherlands Tall Oil Consumption Rises Sharply," Foreign Crops and Markets, July 9, 1962, tall oil, an extract from pine wood, was referred to as wood oil. The term wood oil in commercial trade is usually applied to tung oil.

JAPANESE OILSEED PROCESSORS REQUEST POSTPONEMENT OF LIBERALIZATION

Japanese oilseed processors hope to delay liberalization of imports of soybean meal and other oilseed products which have been tentatively scheduled for liberalization on or before next October (Foreign Crops and Markets, July 9, 1962).

The President of the Japan Oils and Fats Association recently submitted a formal petition to the Director of the Food Agency of the Ministry of Agriculture and Forestry. In the petition, the Association, which represents the oilseed processors, itemizes the various products and presents arguments against liberalization for each. The products include soybean oil and meal, peanut oil and meal, cottonseed oil, safflower seed oil, rice bran oil, and various other vegetable oils. The petition requests unconditional postponement of liberalization until the Japanese industry strengthens its competitive position.

Pressure for postponement is being exerted on the Diet and the Government. While this move may not be successful with respect to all of the products scheduled for liberalization, it appears that the liberalization of soybean meal and soybean oil, at least, might be delayed.

SENEGAL'S PEANUT CROP SETS RECORD

Senegal's 1961-62 commercial peanut crop is now estimated at a record 890,000 metric tons, unshelled basis, 10 percent larger than the previous record of 812,437 tons commercialized from the 1960-61 crop.

With purchases for crushing and export at 890,000 tons, use as seed estimated at about 65,000 tons, and domestic consumption at about 35,000 tons, total production is placed at 990,000 tons.

Approximately 450,000 tons of peanuts are expected to be crushed in Senegal, yielding about 135,000 tons of unrefined peanut oil. An estimated 25,000 tons of oil will be used domestically and the remaining 110,000 tons will be exported. The major portion of the oil exports is destined for France by agreement, with small quantities going to other franc zone countries, as has been the pattern in the past.

France, reportedly, has agreed to purchase practically all of the 440,000 tons of peanuts available for export from the crop. The peanuts will be shelled prior to export, yielding approximately 308,000 tons, shelled basis. Exports in calendar year 1961 totaled 386,000 tons unshelled basis (270,000 shelled basis).

Established producer prices for 1961-62 peanuts ranged between 18.25 and 22.75 CFA francs per kilo (unshelled), depending on freight differential to point of purchase, and represented no change from prices during the 1960-61 season. These prices are equivalent to about 3.4 U.S. cents and 4.2 cents per pound.

The Government of Senegal played a dominant role in the purchase and marketing of the 1961-62 peanut crop, working through the Office de Commercialisation Agricole (OCA) (Foreign Crops and Markets, November 27, 1961). In the purchase operation, the ultimate objective appears to be that of eliminating the private or independent sector in favor of government-organized producer cooperatives. Progress in participation of producer cooperatives is reflected in the fact that they purchased 45 percent of the total 1961-62 commercial crop compared with 21 percent of total purchases from the previous year's crop.

Senegalese officials attribute the record peanut outturn attained in 1961-62 to increased efficiency of production rather than to exceptional weather. The Service d'Agriculture expects to give continuing emphasis to use of improved seed, application of fertilizer, and better seeding methods.

Attainment of the peanut production objectives under Senegal's Four-Year Plan, which calls for a commercial crop of 1,000,000-1,150,000 tons by 1964, seems quite likely, provided continued success in adoption of improved cultural practices is achieved and favorable weather prevails.

INDIA'S CASTOR BEAN PRODUCTION INCREASES SIGNIFICANTLY

India's 1961-62 castor bean crop, harvested during January-April, was 113,100 short tons from 1,108,000 acres, according to the final official estimates. This is an increase of 13 percent in output and an increase of 7 percent in area from the revised estimates of 99,650 tons and 1,038,000 acres of 1960-61.

The increase in the current year's production from last year was accounted for mainly by the states of Gujarat and Andhra Pradesh, and was due partly to acreage expansion and partly to higher per acre yield resulting from favorable weather.

CANADA EXPECTS GOOD WHEAT OUTTURN

The outlook for Canada's wheat crop is now promising, following ample rainfall over most of the Prairie Provinces.

(Continued)

An outturn of at least 500 million bushels is expected, if rains are adequate for the remainder of the growing season. If timely rains supply needed moisture, production may be double the poor crop of 261 million bushels last year.

Prospects were poor earlier in the season because of extended drought. However, good rains during May and June have built up surface moisture in most parts of the wheat belt. Subsoil moisture is still low in some important areas and crop outturns will be more than normally dependent on well spaced rains.

Temperatures were moderate through June and the crop has been developing well in most areas. However, above-normal temperatures were reported during the first week of July and good rains will be needed to maintain prospects.

Conditions have been best in Saskatchewan, the ranking province in wheat production. The crop there is reported in good to excellent condition. The outlook is also bright in Alberta. Least favorable conditions are reported for Manitoba, where acreage appears to be reduced somewhat because of excessive rains at seeding time. Acreage estimates are not available until the beginning of August but total acreage for the country is expected to be larger.

FRANCE HARVESTING BUMPER WHEAT CROP

France's Minister of Agriculture has forecast 1962 wheat production at 410 million bushels, compared with 352 million in 1961.

Most of the increase over a year ago is due to expanded acreage. The current estimate of 11.3 million acres contrasts with 9.9 million reported for 1961.

A harvest as large as forecast would provide a sizable surplus available for export.

U.S. COTTON EXPORTS LOWER THROUGH MAY

U.S. exports of all types of cotton amounted to 4,039,000 running bales in the first 10 months (August-May) of the current season.

This figure is one-third less than the 6,080,000 bales shipped in the same period of 1960-61, and 22 percent below average shipments of 5,196,000 bales in the first 10 months of the past 5 seasons. May exports reached 361,000 bales, compared with 585,000 in April and 387,000 in May 1961.

COTTON: U.S. exports by country of destination, average 1950-54, annual 1958-60, August-May 1960-61 and 1961-62

Country of destination	(Running bales)					
	Year beginning August 1					
	Average:	1958	1959	1960	August-May	
	:1950-54:				:1960-61:	1961-62
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bales	: bales	: bales	: bales	: bales	: bales
Austria.....	37:	15:	29:	35:	34:	30
Belgium & Luxembourg.....	117:	48:	224:	179:	172:	90
Denmark.....	27:	8:	23:	23:	21:	12
Finland.....	12:	12:	32:	29:	28:	20
France.....	416:	194:	668:	549:	524:	282
Germany, West.....	368:	101:	582:	421:	410:	195
Italy.....	364:	148:	592:	454:	437:	350
Netherlands.....	122:	20:	224:	179:	175:	96
Norway.....	14:	1:	17:	14:	13:	13
Poland & Danzig.....	1/	89:	71:	228:	228:	66
Portugal.....	7:	12:	13:	25:	24:	16
Spain.....	135:	283:	66:	171:	170:	155
Sweden.....	50:	33:	103:	101:	99:	94
Switzerland.....	40:	11:	104:	99:	97:	72
United Kingdom.....	417:	202:	593:	371:	353:	251
Yugoslavia.....	83:	146:	48:	88:	60:	82
Other Europe.....	9:	3:	21:	8:	8:	4
Total Europe.....	2,218:	1,326:	3,410:	2,974:	2,853:	1,828
Australia.....	30:	39:	63:	49:	47:	71
Canada.....	297:	85:	309:	259:	244:	343
Chile.....	23:	2:	54:	51:	44:	12
Colombia.....	30:	20:	0:	0:	0:	1
Cuba.....	18:	9:	40:	2:	2:	0
Ethiopia.....	6:	0:	15:	4:	4:	11
Hong Kong.....	8:	123:	276:	219:	211:	101
India.....	246:	77:	431:	599:	372:	28
Indonesia.....	18:	16:	52:	36:	35:	33
Israel.....	12:	12:	18:	9:	8:	8
Japan.....	837:	521:	1,755:	1,746:	1,659:	915
Korea, Republic of.....	76:	219:	270:	195:	183:	196
Morocco.....	8:	10:	11:	9:	9:	14
Philippines.....	9:	93:	126:	149:	107:	120
South Africa, Rep. of.....	6:	14:	44:	51:	49:	47
Taiwan (Formosa).....	84:	178:	203:	176:	160:	185
Thailand.....	1:	1/	20:	23:	18:	24
Uruguay.....	2:	21:	32:	18:	16:	11
Venezuela.....	3:	0:	0:	1/	1/	16
Vietnam, Laos & Cambodia 2/.....	14:	1/	10:	26:	26:	29
Other countries.....	31:	24:	43:	37:	33:	46
Total.....	3,977:	2,789:	7,182:	6,632:	6,080:	4,039

1/ Less than 500 bales. 2/ Indochina prior to 1958.

Compiled by Cotton Division, FAS, from Bureau of Census records.

(Continued)

Exports this season are expected to total nearly 5 million running bales, compared with 6.6 million in 1960-61, and 7.2 million in 1959-60. Registrations for export under the current payment-in-kind program amounted to 4,916,359 bales through July 6, compared with 6,441,000 on about the same date a year earlier. Registrations under the 1962-63 program for export on or after August 1 totaled 225,936 bales on July 6.

BRAZILIAN COTTON PRODUCTION CONTINUES UPTREND

The 1961-62 cotton crop in Brazil is now estimated at 2,300,000 bales (500 pounds gross). This is 18 percent above last season's output of 1,950,000 bales, and marks the fifth successive year in which production in Brazil has increased.

The larger crop this season is attributed both to increased acreage and some improvement in yields. Acreage in 1961-62 rose to an estimated 5,800,000 acres, compared with 5,000,000 a year earlier, and an annual average of 4,320,000 in the past 5 seasons. South Brazil's crop, harvest of which is now nearing completion, is tentatively set at 1,500,000 bales, up from around 1,250,000 in 1960-61. Production this season in northeast Brazil was placed at 800,000 bales, against 700,000 a year earlier.

According to early reports, next season's crop may reach 2,500,000 bales, around 7 percent larger than the 1961-62 crop, with expansion both in the North and the South. Some acreage planted to peanuts this season may be switched to cotton in view of the mounting surplus of peanuts in Brazil.

Exports of cotton from Brazil totaled 462,000 bales during the first half of 1961-62--up sharply from the 181,000 bales shipped in the first 6 months of 1960-61. While data on quantities shipped to individual destinations are not yet available, major purchasers of Brazil's cotton this season, include West Germany, Spain, Japan, Belgium, France, and Hong Kong. In view of larger exportable supplies in Brazil, total exports this season appear likely to exceed by around one-fourth last season's shipments of 695,000 bales.

Exports in the first half of this season were made up largely of old-crop cotton. Reportedly, shipments of cotton from the 1961-62 crop during the early part of the harvesting season were delayed because of refusal of many farmers to sell at prices which would permit exports to be priced competitively. On May 1, the Brazilian Government increased the domestic support price without adjusting exchange rates in order to keep export selling prices competitive. Following the second government measure with respect to this year's cotton crop, the devaluation of Brazilian currency on May 21, the volume of exports increased substantially.

As a result of the government measures, prices quoted for Brazilian cotton in world import markets have been lower this season, with quotations currently more than 2 cents a pound below prices at the beginning of 1961-62. Offering quotations in Liverpool for Brazilian Sao Paulo Type 5 averaged 26.08 U.S. cents a pound in June, compared with 28.43 cents in August 1961.

Cotton consumption this season is expected to continue the uptrend of recent years, with domestic offtake likely to exceed 1,300,00 bales, compared with 1,250,000 in 1960-61. Stocks on hand at the end of 1961-62 appear likely to be somewhat larger than beginning carryover of 685,000 bales.

MINIMUM PRODUCER PRICES FIXED FOR 1962 CROP ONTARIO WINTER WHEAT

The minimum producer price for 1962 crop Ontario grown Canada Eastern winter wheat grade 2 or better has been fixed at C\$1.65 (U.S. \$1.53) per bushel. The corresponding price for grade 3 is C\$1.62 (\$1.50) per bushel.

Nearly all of Canada's winter wheat is grown in the Province of Ontario. It is soft white wheat. However, winter wheat is only about 5 percent of Canada's total wheat production.

These prices, applying from July 1, 1962, to June 30, 1963, are 25 cents per bushel above the respective 1961 levels. They will increase 2 cents per bushel per month for October through February.

During March and April prices will remain at the 10 cents higher per bushel February level, but for May they will be 5 cents per bushel lower, and in June they will be back to the beginning of the year levels.

Prices were fixed in an agreement between the farmers, dealers, and processors who are members of the Ontario Wheat Producers Marketing Plan, under the Farm Products Marketing Act. The reason for this increase is the prospect of a small 1962 Ontario winter wheat crop, and the devaluation of the Canadian dollar in June 1961 and May 1962.

If the regular market prices of these wheats are above these minimums, the farmer members of the Plan will receive such higher prices. However, the dealer and processor members may, under the Plan, purchase only such quantities of winter wheat from the farmer members as they choose.

The agreement also fixes a corresponding minimum price of C\$1.30 (\$1.20) per bushel for Canada Eastern winter wheat grades 4 and 5 and No. 1 and No. 2 mixed wheat (sprouted and below milling grains). This price is subject to the same seasonal variations as the other two.

(Continued on back cover)

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This is the first year in which a minimum producer price was fixed for these lower grades of Ontario grown winter wheat under the Farm Products Marketing Act. The reason for this action is the relatively low market prices which Ontario farmers, in the absence of such a minimum, received for the unusually large quantities of such wheat which they marketed last year.

The Canadian government has thus far not fixed 1962 crop minimum producer prices under the Agricultural Stabilization Act of 1958 for barley, oats, and winter wheat grown outside of the area under the jurisdiction of the government Wheat Board. (The Wheat Board area consists of Manitoba, Saskatchewan, Alberta, and certain parts of British Columbia and northwestern Ontario.)

The corresponding prices which have been fixed in the past were 80 percent of the respective 10-year average Canadian market prices. If such prices are fixed for 1962, the Ontario grown 1962 crop winter wheat which the farmers of that Province cannot sell under the Ontario Wheat Producers Marketing Plan will be sold subject to such government deficiency payments as may be necessary to guarantee the farmers the fixed minimums.